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Cruise Ship Tourism in Akaroa:

Visitor experiences, expenditures, and business stakeholder perceptions

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Presentation outline

- Background and objectives
- Research methods and sample
- Key research findings:
  - Spending
  - Enjoyment
  - Satisfaction
  - Activities
  - Future prospects
  - Business perspectives
- Summary and concluding remarks

Background and objectives

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Background:

- Earthquake damage to Lyttelton Port; Akaroa is now the main cruise ship port in Canterbury
- Rapid growth in arrivals to Akaroa:
  - 2009/2010 = 8,754 pax
  - 2012/2013 = 143,925 pax
  - 2013/2014 = ? (continued growth)

Research Objectives:

1. Examine perceptions, experiences and economic impact of cruise ship passengers in Akaroa

2. Examine hosting experiences of selected business stakeholders in Akaroa and Christchurch (re: cruise ship visitor market)

Research methods and sample

Part A: Survey of cruise ship passengers to Akaroa:

- 433 surveys completed (289 Akaroa; 144 Christchurch)
- 21 'survey days' between 25 Nov 2012 to 17 Feb 2013
- Convenience sampling approach (every '*nth*' person)

Nationality = Australia (70%), USA (16%), UK (5%)
Gender = Female (57%)
Age = Over 60 years (60%)
Experience = Been on at least one cruise before (69%)
Travel party = Spouse or partner (52%)

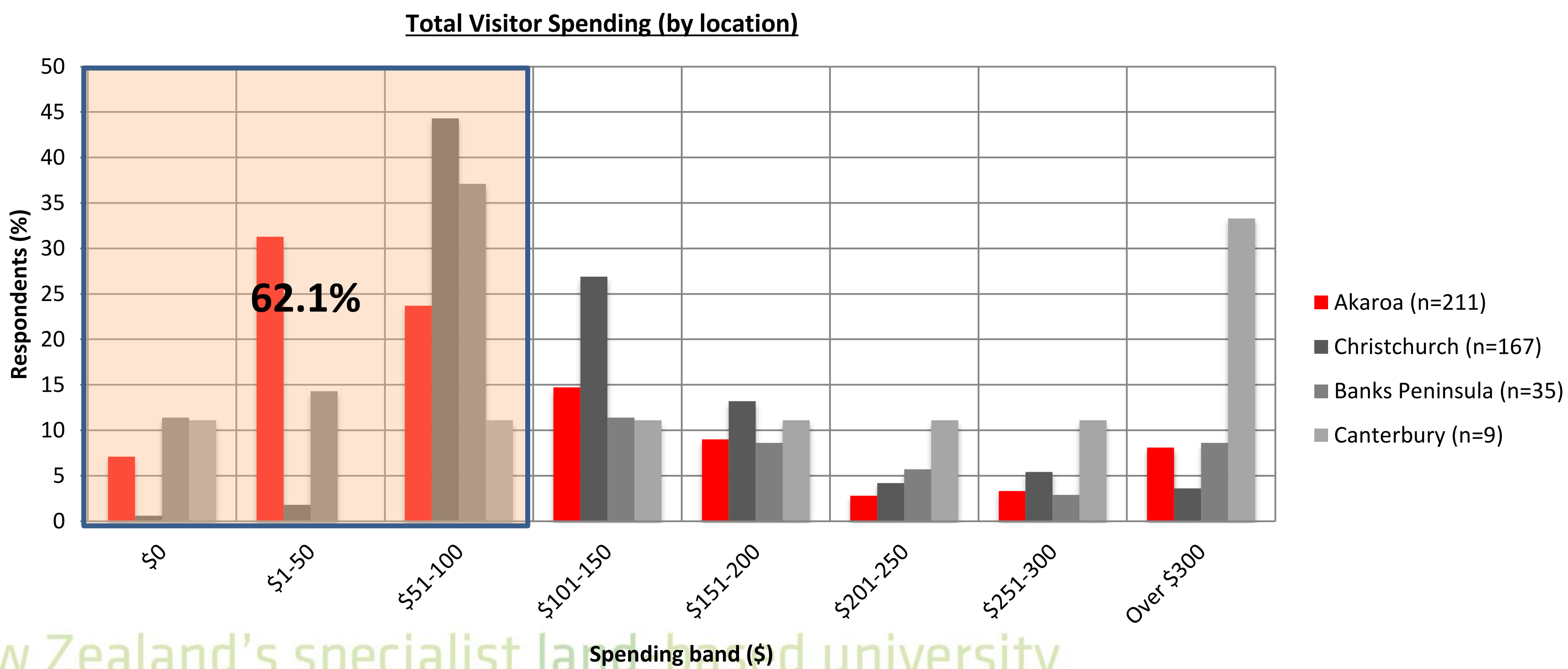
Part B: Interviews with selected business stakeholders:

- 21 selected business stakeholders interviewed (14 AKA, 7 CHC)
- A range of business types (e.g., size, product type, cruise dependence)
- Primarily independent operators

Part ‘A’ findings: *spending*

Average ‘port visit’ spend ($) per respondent = $129.26 (n=430)

- ***Stay*** in Akaroa = $117.90 (n=208)
- ***Leave*** Akaroa = $141.55 (n=209)
- 7.3% of all respondents spent ‘nothing’



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Spending by category in Akaroa (average spend per person):

- *Tours:* $31.78
- *Transport:* $2.37
- *Restaurant meals:* $13.90
- *'Other' food & refreshments:* $12.20
- *Shopping & souvenirs: $54.74*

- Respondents who travelled 'beyond' Akaroa spent ***more*** on tours ($62.42) and transport ($18.61), and spent ***less*** on restaurant meals ($8.94), 'other' food and refreshments ($10.31) and shopping/souvenirs ($41)

Part ‘A’ findings: *enjoyment*

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Part 'A' findings: *enjoyment*

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"What did you enjoy most and least about your visit to Akaroa?" (n=211)

Enjoyed most

- Scenery (42%)
- A pretty town (34%)
- Relaxed village atmosphere (20%)
- Friendly people (16%)
- Good weather (15%)
- Attractions & activities (15%)
- Shopping/restaurants/cafes (11%)

Enjoyed least

- Bad weather (10%)
- Too crowded (3%)
- Expensive (2%)

- *(74% said "nothing")*

Part ‘A’ findings: *activities*

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- **Activities most commonly undertaken by respondents in <u>Akaroa ‘township’</u> (n=211):**
  - Walking around Akaroa (88%)
  - Eating & drinking (59%)
  - Shopping (57%)
  - General sightseeing (27%)
  - Guided tours/activities (20%)

- **Activities most commonly undertaken by respondents in <u>Akaroa ‘district’</u> (n=35):**
  - Farm visit (51%)
  - Hilltop Tavern/Look-out (37%)
  - Barry’s Bay Cheese Factory (14%)
  - Look-out (unspecified; possibly ‘Hilltop’) (14%)

Part 'A' findings: *satisfaction*

Satisfaction with Akaroa port visit (n=413)		
Satisfied (93%)	Neutral (6%)	Dissatisfied (1.2%)

Intention to return to Akaroa (n=418)		
Likely (58.9%)	Not sure (9.6%)	Unlikely (31.6%)

Recommend region to others (n=414)		
Likely (97.3%)	Not sure (1.7%)	Unlikely (0.9%)

Part 'A' findings: *future prospects*

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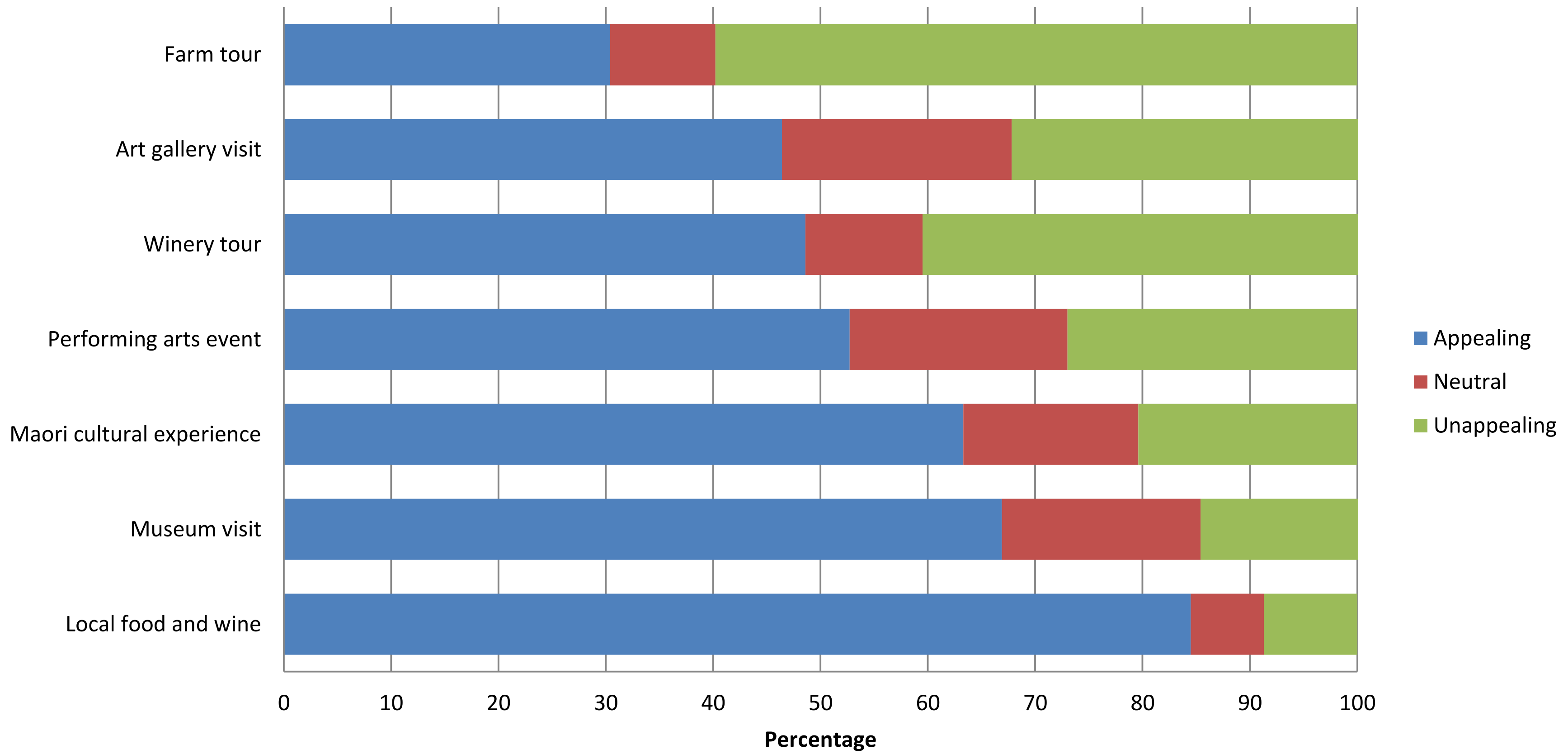
Rating the appeal of activities for future port visits to Akaroa (n=313)



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Part ‘B’ findings: *businesses*

- 21 interviews conducted at the end of the cruise ship season
  - April - early May 2013
- Interviewees selected to represent the variety of business types identified in visitor spending categories (see earlier slide)
- Selected businesses catered primarily to ‘independent’ cruise passengers
- Focus on *perceptions*, *opinions*, *experiences* (not on ‘financials’)

Business Type	Akaroa	Christchurch
Transport services	-	1
Tour operator	6	2
Activity provider	2	2
Retail: tourism/giftware	5	1
Retail: general	4	1
Food and drink outlets	4	1

Part 'B' findings: *businesses*

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Perceptions of the cruise market
- Highly unpredictable market
- No discernable patterns re: economic benefits/cruise lines, but some stereotyping
- Number of passengers more relevant than number of ships in port

Economic engagement
- Varied according to business type, size & previous engagement with the cruise market
- Most businesses generally cater to a mix of visitors and locals

Visitor spending
- Spending directed primarily toward low value items
- Relatively low contribution to annual revenue (typically between 5% - 30%), but does facilitate year-round business viability
- Minimal 'displacement' of other visitors to Akaroa
- Minimal economic impact from ship crew

Part ‘B’ findings: *businesses*

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Business challenges

- Operator status (e.g., independent; inbound)
- Access to passengers/cruise market
- Proximity to attractions/activities (ex. Akaroa)
  - Logistical challenges (wharf, geographic distance)
- Uncertainty over future Akaroa cruise ship visits

Hosting experiences

- Advance cruise schedule extremely important
- Advance bookings useful, but difficult to secure
- Surprising lack of visitor knowledge
  - Range of activities/attractions
- Business adaptation varied
  - Product lines (range)
  - Tailored activities (timing, duration, focus)
- A clearly defined (and relatively ‘long’) cruise season (Oct-April)

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Part 'B' findings: *businesses*

Cruise ship in context

- Irony: cruise ship relocations to Akaroa help businesses in Akaroa recover from loss of business (due to earthquakes)
- Offset: cruise arrivals help to offset losses due to the global economic recession
- General downturn in domestic visitation reported
- Cruise tourism provides a much-need boost to Akaroa (and to Christchurch/Canterbury)

The visitor experience

- Positive feedback from visitors
- Visitors like 'uniqueness' of destination:
  - Akaroa: charm, scenic beauty, village atmosphere
  - Christchurch: earthquake recovery experience/story
- Some new products identified (gaps)
  - Rental cars, more local tours, Maori/marae/cultural
  - Shelter, signage, better wharf 'welcome', repair museum

Summary and concluding remarks

- Activities:
  - A mix of respondents remained in Akaroa, and/or travelled ‘beyond’ Akaroa township
  - Organised tours; ‘independent’ travellers; passive and/or active
  - Visitors and businesses identified potential ‘gaps’ in the destination product

- Spending:
  - Spending patterns identified; some variations noted (activity/location)
  - Spending on ‘small’ retail items, and food and drink (are cruise visitors ‘low spenders’?)

- Experience:
  - Overall, cruise ship visitors appear to be satisfied with their Akaroa port visit experience
  - Respondents indicated a high likelihood of returning to Akaroa, and likely to recommend to others.
  - Businesses modify *some* aspects of product range (tourists also buy ‘general’ products)
  - Uncertainty over future level of cruise arrivals is a concern for businesses

Any questions?